

**ADMINISTRATIVE AGREEMENT
ON THE FEDERAL GAS TAX FUND**

BETWEEN: **THE GOVERNMENT OF CANADA**, as represented by the President of the Queen's Privy Council for Canada, Minister of Infrastructure, Communities and Intergovernmental Affairs ("Canada")

AND: **THE GOVERNMENT OF NORTHWEST TERRITORIES**, as represented by the Minister of Municipal and Community Affairs ("the GNWT").

1. PURPOSE

This Administrative Agreement sets out the roles and responsibilities of Canada and the GNWT for the administration of the Gas Tax Fund (GTF).

2. CONTEXT

With this Administrative Agreement, Canada and the GNWT wish to help communities build and revitalize their public infrastructure that supports national objectives of productivity and economic growth, a clean environment and strong cities and communities, building on:

- The success of the First Agreement;
- Section 161 of the *Keeping Canada's Economy and Jobs Growing Act*, S.C. 2011, c. 24, under which the Government of Canada makes up to \$2 billion per year available for allocation by the Government of Canada for the purpose of municipal, regional and First Nations infrastructure starting in 2014-15;
- *Economic Action Plan 2013*, through which the Government of Canada announced a renewed GTF which included the indexation of the gas tax funding at two per cent (2%) per year, with increases to be applied in \$100 million increments (confirmed through section 161 of the *Keeping Canada's Economy and Jobs Growing Act*, S.C. 2011, c. 24 as amended by section 233 of the *Economic Action Plan 2013 Act, No. 1*, S.C. 2013, c. 33);
- *Economic Action Plan 2013* which encouraged provinces, territories, cities and communities to support the use of apprentices in infrastructure projects receiving federal funding. Canada recognizes that the GNWT has developed and implemented its own initiatives with regards to the use of apprentices in infrastructure projects;
- *Economic Action Plan 2013*, through which the Government of Canada announced an expanded list of GTF eligible project categories and encouragement for asset management planning.

3. PRINCIPLES

Canada and the GNWT acknowledge that this Administrative Agreement is based on the following principles:

- a. **Principle 1 – Respect for jurisdiction:** The GTF was designed to leverage the strengths of each level of government and is based on the principle that each has areas of jurisdiction and is accountable to its population. Canada respects the jurisdiction of provinces and territories over municipal institutions.
- b. **Principle 2 – A flexible approach:** In recognition of the diversity of Canadian provinces, territories, regions and communities, the GTF recognizes the need for a flexible approach to program delivery. Wherever possible, the GTF aims to employ regionally adapted delivery mechanisms, including the leveraging of existing delivery mechanisms and reporting structures.
- c. **Principle 3 – Equity between jurisdictions:** The GTF recognizes the importance of ensuring that the inter-provincial/territorial allocation is equitable while supporting meaningful infrastructure investments within the least populated jurisdictions.

- d. **Principle 4 – Long-term solutions:** The GTF provides predictable, long-term funding for communities, where communities choose projects locally and prioritize them according to their needs, while respecting the principle of incrementality and not displacing current infrastructure investments.
- e. **Principle 5 – Transparency:** The GTF is administered via an open and transparent governance process which recognizes and communicates Canada's contribution to communities' infrastructure priorities and includes regular program evaluations and progress reporting to Canadians.

4. ANNEXES AND SCHEDULES

The following annexes and schedules are attached to and form part of this Administrative Agreement:

- Annex A: Definitions
- Annex B: Terms and conditions, including:
 - Schedule A: Ultimate Recipient Requirements
 - Schedule B: Eligible Project Categories
 - Schedule C: Eligible and Ineligible Expenditures
 - Schedule D: Reporting
 - Schedule E: Communications Protocol
 - Schedule F: Asset Management
- Annex C: The GNWT allocations to Ultimate Recipients

5. DEFINITIONS

Unless defined elsewhere in this Administrative Agreement, capitalized words used throughout this Administrative Agreement are defined in Annex A (Definitions).

6. FEDERAL GAS TAX FUND

- 6.1 Any GTF funding that may be transferred by Canada to the GNWT, when transferred, will be administered by the GNWT in accordance with this Administrative Agreement, including the terms and conditions set out in Annex B (Terms and Conditions).
- 6.2 Any Unspent Funds, and any interest earned thereon, will be subject to the terms and conditions of this Administrative Agreement and will no longer be governed by the terms and conditions of the First Agreement.

7. OVERSIGHT COMMITTEE

- 7.1 An Oversight Committee established by Canada and the GNWT will monitor the overall implementation of this Administrative Agreement, and will serve as the principal forum to address and resolve issues arising from the implementation of this Administrative Agreement.
- 7.2 The Oversight Committee will be co-chaired by two (2) members, one of whom is to be appointed by Canada, and designated as Federal Co-Chair, and one of whom is to be appointed by the GNWT, and designated as Territorial Co-Chair. Replacement members from either Canada or the GNWT may, from time to time, be appointed. Canada and the GNWT agree to keep each other informed in writing of new appointments.

In addition to the two Co-Chairs, the Oversight Committee could include:

- i) One additional representative from the GNWT;
 - ii) One additional representative from Canada; and,
 - iii) One representative from the Northwest Territories Association of Communities (NWTAC), as an observer, appointed by the NWTAC President.
- 7.3 The Co-Chairs will examine together any issue that arises, and will, in good faith and reasonably, attempt to resolve potential disputes.
- 7.4 Canada and GNWT agree that, in addition to the requirements set out in Section 2.3 of Schedule E (Communications Protocol), any communications working group or subcommittee that is established by the Co-Chairs will report on the working group or subcommittee's plans and achievements on a frequency defined by the Oversight Committee Co-Chairs.

8. DISPUTE RESOLUTION

- 8.1 Canada and the GNWT will work together to resolve any issues which may arise in relation to this Administrative Agreement.
- 8.2 It is understood that failure to meet the following requirements are of particular interest and will be addressed as a priority:
- a) ensuring that Ultimate Recipients comply with Schedule B (Eligible Project Categories) and Schedule C (Eligible and Ineligible Expenditures) of Annex B (Terms and Conditions);
 - b) submitting an Annual Report to Canada by September 30th of each year and an Outcomes Report, as outlined in Schedule D (Reporting) of Annex B (Terms and Conditions); and,
 - c) conducting communications activities in accordance with the requirements outlined in Schedule E (Communications Protocol) of Annex B (Terms and Conditions).
- 8.3 An escalating dispute resolution approach would begin with an Oversight Committee discussion followed by senior official-level discussions and ultimately Ministerial-level discussions for resolution, within a reasonable timeframe.
- 8.4 In the event of any unresolved issue, if the above resolution mechanisms fail to achieve a resolution it is understood that the final decision with respect to such issue will rest solely with Canada.

9. AUDITS AND EVALUATION

- 9.1 Canada may, at its expense, carry out any audit in relation to this Administrative Agreement. Unless prohibited from doing so in accordance with a law applicable to the GNWT, the GNWT will provide Canada and its designated representatives with reasonable and timely access to all documentation, records and accounts that are held by the GNWT, Ultimate Recipients, their respective agents or Third Parties and that are related to this Administrative Agreement and the use of GTF funding, and any interest earned thereon, and to all other relevant information and documentation requested by Canada or its designated representatives for the purposes of audit and evaluation.
- 9.2 Canada may, at its cost, complete a periodic evaluation of the GTF to review the relevance and performance (*i.e.* effectiveness, efficiency and economy) of the GTF. The GNWT will provide Canada with information on program performance and may be asked to participate in the evaluation process. The results of the evaluation will be shared with the GNWT and made publicly available.
- 9.3 The GNWT will keep proper and accurate accounts and records in respect of all Eligible Projects for at least six (6) years after completion of the Eligible Project and will, upon reasonable notice, make them available to Canada.
- 9.4 Sections 9.1 to 9.3 will remain in effect beyond the expiration or termination of this Administrative Agreement until such time as may be determined by Canada and the GNWT.

10. DURATION, TERMINATION, REVIEW AND AMENDMENT

- 10.1 This Administrative Agreement will be effective as of April 1, 2014 and will be in effect until March 31, 2024 unless Canada and the GNWT agree to renew it. In the event where this Administrative Agreement is not renewed, any GTF funding and Unspent Funds, and any interest earned thereon held by the GNWT or Ultimate Recipients, that have not been expended on Eligible Projects as of March 31, 2024 will nevertheless continue to be subject to this Administrative Agreement until such time as may be determined by Canada and the GNWT.
- 10.2 This Administrative Agreement will be reviewed by Canada and the GNWT by March 31, 2018 and may be amended to incorporate changes, if any, agreed to by Canada and the GNWT.
- 10.3 This Administrative Agreement may be amended at any time in writing as agreed to by Canada and the GNWT.

- 10.4 This Administrative Agreement may be terminated at any time and for any reason by either Canada or the GNWT on two (2) years written notice. In the event where this Administrative Agreement is so terminated, any GTF funding and Unspent Funds, and any interest earned thereon held by the GNWT or Ultimate Recipients, that have not been expended on Eligible Projects as of the date of termination will nevertheless continue to be subject to this Administrative Agreement until such time as may be determined by Canada and the GNWT.
- 10.5 If Canada concludes an administrative agreement with respect to the GTF for similar purposes with any other province or territory of Canada, and that administrative agreement taken as a whole is materially different from this Administrative Agreement, the GNWT may ask Canada to agree to amend this Administrative Agreement so that, taken as a whole, it affords similar treatment to the GNWT as the other administrative agreement affords to the other province or territory. In the event of any such request, Canada and the GNWT agree to discuss the request and any agreement reached between them to amend this Administrative Agreement will be effected in accordance with Section 10.3 (Duration, Termination, Review and Amendment).

11. CORRESPONDENCE

Any correspondence under this Administrative Agreement may be delivered in person, sent by electronic mail, sent by facsimile, or sent by mail addressed to:

Canada:

Assistant Deputy Minister
Program Operations Branch
Infrastructure Canada
1100-180, Kent Street
Ottawa, Ontario K1P 0B6
Facsimile: (613) 960-9423

or to such other address or facsimile number or electronic address or addressed to such other person as Canada may, from time to time, designate in writing to the GNWT; and

the GNWT:

Deputy Minister
Department of Municipal and Community Affairs
Government of the Northwest Territories
6th Floor, North Tower, 5201-50th Avenue
Box 1320
Yellowknife, Northwest Territories X1A 2L9
Facsimile: (867) 873-0309

or such other address or facsimile number or electronic address or addressed to such other person as the GNWT may, from time to time, designate in writing to Canada.

12. COUNTERPART SIGNATURE

This Administrative Agreement may be signed in counterpart, and the signed copies will, when attached, constitute an original agreement.

Signatures:

CANADA

The Honourable Denis Lebel

Minister of Infrastructure, Communities and
Intergovernmental Affairs



Date

MAY 08 2014

**THE GOVERNMENT OF THE
NORTHWEST TERRITORIES**

The Honourable Robert C. McLeod

Minister of Municipal and Community
Affairs



Date

May 26, 2014

ANNEX A DEFINITIONS

“Annual Report” means the duly completed annual report to be prepared and delivered by the GNWT to Canada, as described in Schedule D (Reporting).

“Asset Management Plans” means documents that support integrated, lifecycle approaches to effective stewardship of infrastructure assets in order to maximize benefits, and manage risk. Plans can include:

- an inventory of assets;
- the condition of infrastructure;
- level of service or risk assessment;
- a cost analysis;
- community priority setting; and,
- financial planning.

“Capital Investment Plan” means a document created through a public and administrative process, with approval from locally elected officials, providing a detailed understanding and documentation of the condition of existing Community Public Infrastructure and the anticipated investments into Community Public Infrastructure that are considered priorities along with a rationale for those priorities.

“Community Public Infrastructure” means tangible capital assets in the Northwest Territories, primarily for public use and benefit, required by a Local Government to support the delivery of municipal programs and services in a sustainable manner.

“Contract” means an agreement between an Ultimate Recipient and a Third Party whereby the latter agrees to supply a product or service to an Eligible Project in return for financial consideration.

“Eligible Expenditures” means those expenditures described as eligible in Schedule C (Eligible and Ineligible Expenditures).

“Eligible Projects” means projects as described in Schedule B (Eligible Project Categories).

“First Agreement” means the agreement for the transfer of federal gas tax revenues entered into on November 10, 2005 by the Government of Canada and the GNWT with an expiry date of March 31, 2015, as amended on April 16, 2009.

“GNWT Community Government Accountability Framework” means a framework by which GNWT engages community governments to review performance in key areas such as financial management, capital planning, strategic planning and asset management planning.

“GNWT’s Formula Funding Review” means the process by which the GNWT reviews the core funding it provides to Local Governments in the Northwest Territories. As GTF funding is provided to Local Governments through an allocation formula that is aligned with other funding provided to Local Governments for infrastructure, the allocation of any GTF funding that may be provided by GNWT is also considered as part of this review.

“GTF” means the Gas Tax Fund, a program established by the Government of Canada setting out the terms and conditions for the administration of funding that may be provided by Canada to recipients under section 161 of the *Keeping Canada’s Economy and Jobs Growing Act*, S.C. 2011, c. 24 as amended by section 233 of the *Economic Action Plan 2013 Act, No. 1*, S.C. 2013, c. 33, or any other source of funding as determined by Canada.

“Ineligible Expenditures” means those expenditures described as ineligible in Schedule C (Eligible and Ineligible Expenditures).

“Local Government” means a corporation established under or continued by the *Charter Communities Act*, S.N.W.T. 2003, c. 22, as amended; the *Cities, Towns and Villages Act*, S.N.W.T. 2003, c. 22, as amended; the *Hamlets Act*, S.N.W.T. 2003, c. 22, as amended; the *Tlicho Community Government Act*, S.N.W.T. 2004, c.7, as amended; or any First Nations Council which is the community governing authority recognized by the Minister of Municipal and Community Affairs as the prime public authority responsible for the provision of municipal services pursuant to Section 4 of the Municipal and Community Affairs Establishment Policy, revised March 6, 1998, and amendments thereto.

“Management Control Framework” is the management tool utilized by the GNWT to oversee its role in the implementation of the GTF.

"Northwest Territories Association of Communities" or "NWTAC" means the association that represents the interests of Northwest Territories communities, incorporated under the *Northwest Territories Societies Act*.

"Outcomes Report" means the report to be delivered by March 31, 2018 and again by March 31, 2023 to Canada which reports on how GTF investments are supporting progress towards achieving the program benefits, more specifically described in Schedule D (Reporting).

"Third Party" means any person or legal entity, other than Canada, the GNWT or an Ultimate Recipient, who participates in the implementation of an Eligible Project by means of a Contract.

"Ultimate Recipient" means:

- (i) a Local Government or its agent (including its wholly owned corporation);
- (ii) a non-municipal entity, on the condition that the Local Government has indicated support for the Eligible Project through a formal resolution of its council. A non-municipal entity includes:
 - for-profit organizations;
 - not-for-profit organizations; and,
 - non-governmental organizations.
- (iii) GNWT entities in the form of departments, corporations and agencies where they provide core municipal services in municipalities; and in the unincorporated areas of the Northwest Territories. For greater clarity, providing core municipal services includes the provision of Community Public Infrastructure and capacity building projects.

"Unspent Funds" means the amount reported as unspent by the GNWT and by Eligible Recipients (as defined under the First Agreement) in the 2013-14 Annual Expenditure Report (as defined under the First Agreement).

ANNEX B TERMS AND CONDITIONS

1. ALLOCATION FORMULA

- 1.1 Any Unspent Funds held by the GNWT and any GTF funding that may be received by the GNWT from Canada, as well as any interest earned thereon, will be distributed in accordance with the formula set out in Section 1.2 (Local Government Funds) of Annex B (Terms and Conditions), subject to the provisions set out below:
- 1.1 (a) Upon approval by Canada, the GNWT may apply up to one point two five per cent (1.25%) of any GTF funding it may receive from Canada for administrative expenses in accordance with Section 5 (Administrative Expenses).
- 1.1 (b) Over the duration of this Administrative Agreement, the GNWT will allocate one point seven five per cent (1.75%) of any GTF funding that may be transferred to it from Canada annually for capacity building projects. The GNWT will administer this on behalf of Local Governments, in accordance with Section 2 (Delivery Mechanism) of Annex B (Terms and Conditions) of this Administrative Agreement.

1.2 LOCAL GOVERNMENT FUNDS

- 1.2 (a) Unspent Funds that were allocated by the GNWT to Eligible Recipients (as defined under the First Agreement) but not expended, including Unspent Funds that have been withheld from Eligible Recipients by the GNWT, and any interest earned thereon, will remain allocated to those Ultimate Recipients.
- 1.2 (b) Subject to Section 1.1 (Allocation Formula) of Annex B (Terms and Conditions), the GNWT will allocate to each Local Government a base amount equal to one per cent (1%) of any remaining GTF funding that may be received by the GNWT from Canada, as well as any interest earned thereon; and the GNWT will allocate to each Local Government, on a per capita basis, a portion of any remaining GTF funding that may be received by the GNWT from Canada, as well as any interest earned thereon. The proportions for each Local Government for 2014-15 are presented in Annex C (The GNWT allocations to Ultimate Recipients).
- 1.2 (c) The GNWT may propose to Canada revisions to Section 1.2 (b) of the Local Government Funds based on the outcomes of the GNWT's Formula Funding Review process, which will be concluded in 2014-15. In accordance with Section 10 (Duration, Termination, Review and Amendment) any revision to Section 1 (Allocation Formula) or subsection therein, is subject to Canada's approval and will constitute an amendment to this Administrative Agreement. If revisions to the Allocation Formula are approved by Canada, the GNWT agrees to provide to Canada, no later than March 31, 2015, a table of Ultimate Recipient allocations for the period from 2015-16 to 2018-19 in accordance with Section 1.3 (Allocation Formula), below.
- 1.3 The GNWT agrees to provide to Canada, upon request, a table detailing the Ultimate Recipient allocations and will promptly provide to Canada updates to the table upon any revisions to the allocations to Local Governments under Section 1.2 (Allocation Formula).

2. DELIVERY MECHANISM

- 2.1 The GNWT will use the Management Control Framework to monitor and manage the release of any GTF funding that may be received from Canada, as well as any interest earned thereon, to Local Governments, in accordance with this Administrative Agreement.
- 2.2 Specifically related to the capacity building allocation that will be administered by the GNWT in accordance with Section 1 (Allocation Formula) of Annex B (Terms and Conditions), the GNWT will:
- a) Act as Ultimate Recipient on behalf of Local Governments;
 - b) Consult Canada on the eligibility of any project that it considers undertaking;

- c) Develop a work plan which identifies planned capacity building projects for the coming fiscal year, prior to March 31 of each year. This work plan will take into consideration capacity building needs identified utilizing the GNWT Community Government Accountability Framework, and the needs identified by the NWTAC and by the GNWT's department of Municipal and Community Affairs' (MACA) Senior Management team; and,
- d) Report to Local Governments and to the NWTAC on capacity building activities and spending.

3. USE AND RECORDING OF FUNDS

- 3.1 The GNWT will ensure that any GTF funding that may be transferred to it by Canada, Unspent Funds, and any interest earned thereon, are used solely in accordance with the terms and conditions set out in this Administrative Agreement.
- 3.2 The GNWT will ensure that any GTF funding that may be transferred to it by Canada, Unspent Funds, and any interest earned thereon is used by Ultimate Recipients in accordance with this Administrative Agreement and specifically to Schedule A (Ultimate Recipient Requirements).
- 3.3 Pending payment to Ultimate Recipients in accordance with the terms and conditions of this Administrative Agreement, the GNWT will record into a separate and distinct account any GTF funding it may receive from Canada and any interest earned thereon.
- 3.4 Any GTF funding that may be transferred by Canada to the GNWT will be treated as federal funds with respect to other federal infrastructure programs.

4. INCREMENTALITY

Any GTF funding that the GNWT may receive from Canada is not intended to replace or displace existing sources of funding for Local Government tangible capital expenditures. As such, the average annual tangible capital expenditures by the GNWT and Local Governments will not be less than \$28 million, which represents the base amount. This base amount is the annual average spending by the GNWT on Community Public Infrastructure for the period from 2007 to 2013.

5. ADMINISTRATION EXPENSES

Upon the review and acceptance by Canada of a detailed business case, which must be submitted by April 1, 2015, the GNWT may apply a portion of any GTF funding it may receive from Canada for administration expenses related to program delivery and implementation of this Administrative Agreement, including expenditures associated with communication activities such as public project announcements and signage.

6. ELIGIBLE PROJECT CATEGORIES

Eligible Project categories under the GTF will continue to include: public transit, local roads and bridges, wastewater, water, solid waste and community energy infrastructure and non-capital investments in capacity building initiatives. As announced in *Economic Action Plan 2013*, new eligible project categories have been added to include highways, local and regional airports, short-line rail, short-sea shipping, disaster mitigation, broadband and connectivity, brownfield redevelopment, culture, tourism, sport, and recreation infrastructure. Schedule B (Eligible Project Categories) provides further details regarding Eligible Project categories.

7. ELIGIBLE EXPENDITURES

Eligible Expenditures are those associated with: the acquiring, planning, designing, constructing, or renovating a tangible capital asset; the strengthening of the ability of Local Governments to improve local and regional planning and asset management as well as joint federal communication activities and federal signage. Schedule C (Eligible and Ineligible Expenditures) sets out specific requirements for eligible and ineligible expenditures.

8. REPORTING

The GNWT will provide to Canada an Annual Report reporting on expenditures as well as project-level information. Furthermore, the GNWT will provide to Canada periodic Outcomes Reports indicating progress and results of the GTF in order to demonstrate overall GTF progress toward the national objectives. Schedule D (Reporting) sets out specific reporting requirements.

9. COMMUNICATIONS

This Administrative Agreement formalizes clear requirements to support federal communications objectives. Schedule E (Communications Protocol) sets out specific communications requirements, including:

- providing upfront project information on an annual basis for communications purposes;
- including the federal government in local project communications; and,
- installing federal project signs.

10. ASSET MANAGEMENT

Asset management will be undertaken in accordance with the approach agreed upon between Canada and GNWT, as set out in Schedule F of this Administrative Agreement.

SCHEDULE A – Ultimate Recipient Requirements

Ultimate Recipients, including the GNWT when acting as an Ultimate Recipient, will be required to:

1. Be responsible for the completion of each Eligible Project in accordance with Schedule B (Eligible Project Categories) and Schedule C (Eligible and Ineligible Expenditures).
2. Comply with all Ultimate Recipient requirements outlined in Schedule E (Communications Protocol).
3. Make progress on asset management in accordance with Schedule F (Asset Management).
4. Invest, in a distinct account, GTF funding it receives from the GNWT in advance of it paying Eligible Expenditures.
5. With respect to Contracts, award and manage all Contracts in accordance with their relevant policies and procedures and, if applicable, in accordance with the Agreement on Internal Trade and applicable international trade agreements, and all other applicable laws.
6. Invest into Eligible Projects, any revenue that is generated from the sale, lease, encumbrance or other disposal of an asset resulting from an Eligible Project where such disposal takes place within five (5) years of the date of completion of the Eligible Project.
7. Allow Canada reasonable and timely access to all of its documentation, records and accounts and those of their respective agents or Third Parties related to the use of GTF funding and Unspent Funds, and any interest earned thereon, and all other relevant information and documentation requested by Canada or its designated representatives for the purposes of audit, evaluation, and ensuring compliance with this Administrative Agreement.
8. Keep proper and accurate accounts and records in respect of all Eligible Projects for at least six (6) years after completion of the Eligible Project and, upon reasonable notice, make them available to Canada.
9. Ensure their actions do not establish or be deemed to establish a partnership, joint venture, principal-agent relationship or employer-employee relationship in any way or for any purpose whatsoever between Canada and the Ultimate Recipient, or between Canada and a Third Party.
10. Ensure that they do not represent themselves, including in any agreement with a Third Party, as a partner, employee or agent of Canada.
11. Ensure that no current or former public servant or public office holder to whom any post-employment, ethics and conflict of interest legislation, guidelines, codes or policies of Canada applies will derive direct benefit from GTF funding, Unspent Funds, and interest earned thereon, unless the provision or receipt of such benefits is in compliance with such legislation, guidelines, policies or codes.
12. Ensure that they will not, at any time, hold the Government of Canada, its officers, servants, employees or agents responsible for any claims or losses of any kind that they, Third Parties or any other person or entity may suffer in relation to any matter related to GTF funding or an Eligible Project and that they will, at all times, compensate the Government of Canada, its officers, servants, employees and agents for any claims or losses of any kind that any of them may suffer in relation to any matter related to GTF funding or an Eligible Project.
13. Agree that the above requirements which, by their nature, should extend beyond the expiration or termination of this Administrative Agreement will extend beyond such expiration or termination.

SCHEDULE B – Eligible Project Categories

Eligible Projects include investments in Community Public Infrastructure for its construction, renewal or material enhancement in each of the following categories:

1. Local roads and bridges – roads, bridges and active transportation infrastructure (active transportation refers to investments that support active methods of travel. This can include: cycling lanes and paths, sidewalks, hiking and walking trails).
2. Highways – highway infrastructure.
3. Short-sea shipping – infrastructure related to the movement of cargo and passengers around the coast and on inland waterways, without directly crossing an ocean.
4. Short-line rail – railway related infrastructure for carriage of passengers or freight.
5. Regional and local airports – airport-related infrastructure (excludes the National Airport System).
6. Broadband connectivity – infrastructure that provides internet access to residents, businesses, and/or institutions in Canadian communities.
7. Public transit – infrastructure that supports a shared passenger transport system which is available for public use.
8. Drinking water – infrastructure that supports drinking water conservation, collection, treatment and distribution systems.
9. Wastewater – infrastructure that supports wastewater and storm water collection, treatment and management systems.
10. Solid waste – infrastructure that supports solid waste management systems including the collection, diversion and disposal of recyclables, compostable materials and garbage.
11. Community energy systems – infrastructure that generates or increases the efficient usage of energy.
12. Brownfield Redevelopment – remediation or decontamination and redevelopment of a brownfield site within municipal boundaries, where the redevelopment includes:
 - the construction of public infrastructure as identified in the context of any other category under the GTF, and/or;
 - the construction of municipal use public parks and publicly-owned social housing.
13. Sport Infrastructure – amateur sport infrastructure (excludes facilities, including arenas, which would be used as the home of professional sports teams or major junior hockey teams (e.g. Junior A)).
14. Recreational Infrastructure – recreational facilities or networks.
15. Cultural Infrastructure – infrastructure that supports arts, humanities, and heritage.
16. Tourism Infrastructure – infrastructure that attract travelers for recreation, leisure, business or other purposes.
17. Disaster mitigation – infrastructure that reduces or eliminates long-term impacts and risks associated with natural disasters.
18. Capacity building – includes investments related to strengthening the ability of Local Governments to develop long-term planning practices.

Note: Investments in health infrastructure (hospitals, convalescent and senior centres) are not eligible.

SCHEDULE C – Eligible and Ineligible Expenditures

1. Eligible Expenditures

1.1 Eligible Expenditures of Ultimate Recipients will be limited to the following:

- a) the expenditures associated with acquiring, planning, designing, constructing or renovating a tangible capital asset, as defined by Generally Accepted Accounting Principles (GAAP), and any related debt financing charges specifically identified with that asset;
- b) for capacity building category only, the expenditures related to strengthening the ability of Local Governments to improve local and regional planning including capital investment plans, integrated community sustainability plans, life-cycle cost assessments, and Asset Management Plans. The expenditures could include developing and implementing:
 - i. studies, strategies, or systems related to asset management, which may include software acquisition and implementation;
 - ii. training directly related to asset management planning; and,
 - iii. long-term infrastructure plans.
- c) The expenditures directly associated with joint federal communication activities and with federal project signage.

1.2 Employee and Equipment Costs: The incremental costs of the Ultimate Recipient's employees or leasing of equipment may be included as Eligible Expenditures under the following conditions:

- a) the Ultimate Recipient is able to demonstrate that it is not economically feasible to tender a Contract;
- b) the employee or equipment is engaged directly in respect of the work that would have been the subject of the Contract; and,
- c) the arrangement is approved in advance and in writing by the GNWT, or when GNWT is acting as Ultimate Recipient, is approved in advance and in writing by Canada.

1.3 Administration expenses of the GNWT related to program delivery and implementation of this Administrative Agreement, in accordance with Section 5 (Administration Expenses) of Annex B (Terms and Conditions).

2. Ineligible Expenditures

The following are deemed Ineligible Expenditures:

- a) project expenditures incurred before April 1, 2005;
- b) project expenditures incurred before April 1, 2014 for the following investment categories:
 - i. highways;
 - ii. regional and local airports;
 - iii. short-line rail;
 - iv. short-sea shipping;
 - v. disaster mitigation;
 - vi. broadband connectivity;
 - vii. brownfield redevelopment;
 - viii. cultural infrastructure;
 - ix. tourism infrastructure;
 - x. sport infrastructure; and,
 - xi. recreational infrastructure.
- c) the cost of leasing of equipment by the Ultimate Recipient, any overhead costs, including salaries and other employment benefits of any employees of the Ultimate Recipient, its direct or indirect operating or administrative costs of Ultimate Recipients, and more specifically its costs related to planning, engineering, architecture, supervision, management and other activities normally carried out by its staff, except in accordance with Eligible Expenditures above;
- d) taxes for which the Ultimate Recipient is eligible for a tax rebate and all other costs eligible for rebates;
- e) purchase of land or any interest therein, and related costs;
- f) legal fees; and,
- g) routine repair and maintenance costs.

SCHEDULE D – Reporting

Reporting requirements under the GTF consist of an Annual Report and an Outcomes Report which will be submitted to Canada for review and acceptance. The reporting year is April 1st to March 31st.

1. Annual Report

By September 30th of each year, the GNWT will provide to Canada an Annual Report in an electronic format deemed acceptable by Canada consisting of the following:

1.1 Financial Report Table:

The financial report table will be submitted in accordance with the following template.

Annual Report Financial Table	Annual	Cumulative
	20xx - 20xx	2014 - 20xx
GNWT in aggregate		
Opening Balance ¹	\$xxx	
Received from Canada	\$xxx	\$xxx
Interest Earned	\$xxx	\$xxx
Administrative Cost	(\$xxx)	(\$xxx)
Transferred to Ultimate Recipients	(\$xxx)	(\$xxx)
Closing Balance of Unspent Funds	\$xxx	
Ultimate Recipients in aggregate		
Opening Balance ²	\$xxx	
Received from the GNWT	\$xxx	\$xxx
Interest Earned	\$xxx	\$xxx
Spent on Eligible Projects	(\$xxx)	(\$xxx)
Closing Balance of Unspent Funds	\$xxx	

1.2 Independent Audit or Audit Based Attestation:

Details of the audit approach will be discussed by the Oversight Committee. The GNWT will provide an independent audit opinion, or an attestation based on an independent audit and signed by a senior official designated in writing by the GNWT as to:

- a) the accuracy of the information submitted in the Financial Report Table; and
- b) that GTF funding and Unspent Funds, and any interest earned thereon, were expended for the purposes intended.

1.3 Project List

The GNWT will maintain, and provide to Canada a project list submitted in accordance with the following template.

¹ For the 2014-2015 Annual Report this means the amount reported as unspent by the GNWT in the 2013-2014 Annual Expenditure Report (as defined under the First Agreement).

² For the 2014-2015 Annual Report this means the amount reported as unspent by Eligible Recipients (as defined under the First Agreement) in the 2013-2014 Annual Expenditure Report (as defined under the First Agreement).

Annual Report – GTF Project List Template

Project ID	Ultimate Recipient	Project Title	Project Description	Investment category	Total Project Cost	Funds (GTF) Spent	Completed Yes/No

2. Outcomes Report

By March 31, 2018 and March 31, 2023, the GNWT will provide to Canada and make publicly available, an Outcomes Report that will report in aggregate on the degree to which investments are supporting the progress in the GNWT towards achieving the following program benefits:

- a) Beneficial impacts on communities of completed Eligible Projects;
- b) Enhanced impact of GTF as a predictable source of funding including incrementality; and,
- c) Progress made on improving Local Government planning and asset management.

The Outcomes Report will present performance data and a narrative on how each program benefit is being met. Performance measurement methodology in respect of each program benefit will be approved by the Oversight Committee Co-Chairs.

SCHEDULE E – Communications Protocol

1 Purpose

- 1.1. The provisions of this Communications Protocol apply to all communications activities related to any GTF funding, including allocations, and Eligible Projects funded under this Administrative Agreement. Communications activities may include, but are not limited to, public or media events, news releases, reports, web articles, blogs, project signs, digital signs, publications, success stories and vignettes, photo compilations, videos, advertising campaigns, awareness campaigns, editorials, awards programs, and multi-media products.
- 1.2. Through collaboration, Canada and the GNWT agree to work to ensure clarity and consistency in the communications activities meant for the public.

2 Joint communications approach

- 2.1. Canada and the GNWT agree to work in collaboration to develop a joint communications approach that identifies guiding principles, including those related to the provision of upfront project information, project signage, and planned communications activities throughout the year. This joint communications approach will have the objective of ensuring that communications activities undertaken each calendar year communicate a mix of Eligible Project types from both large and small communities, span the full calendar year and use a wide range of communications mediums.
- 2.2. Canada and the GNWT agree that the initial annual joint communications approach will be finalized and approved by the Oversight Committee Co-Chairs within 60 working days following the inaugural meeting of the Oversight Committee.
- 2.3. Canada and the GNWT agree that achievements under the joint communications approach will be reported to the Oversight Committee once a year, or more frequently as requested by the Oversight Committee.
- 2.4. Canada and the GNWT agree to assess the effectiveness of the joint communications approach on an annual basis and, as required, update and propose modifications to the joint communications approach. Any modifications will be brought to the Oversight Committee Co-Chairs for approval.

3 Inform Canada on allocation and intended use of GTF funding for communications planning purposes

- 3.1. The GNWT agrees to provide to Canada upfront information on planned Eligible Projects and Eligible Projects in progress on an annual basis, prior to the construction season. Canada and the GNWT will agree, in the joint communications approach, on the date this information will be provided. The information will include, at a minimum:

Ultimate Recipient name; Eligible Project name; Eligible Project category, a brief but meaningful Eligible Project description; amount of funds being used toward the Eligible Project; and anticipated start date.
- 3.2. Canada and the GNWT agree that the above information will be delivered to Canada in an electronic format deemed acceptable by Canada. This information will only be used for communications planning purposes and not for program reporting purposes.
- 3.3. Canada and the GNWT agree that the joint communication approach will define a mechanism to ensure the most up-to-date Eligible Project information is available to Canada to support media events and announcements for Eligible Projects.

4 Project signage

- 4.1. Canada, the GNWT, and Ultimate Recipients may each have a sign recognizing their contribution to Eligible Projects.
- 4.2. At Canada's request, the GNWT or Ultimate Recipients will install a federal sign to recognize federal funding at the Eligible Project site(s). Federal sign design, content, and installation guidelines will be provided by Canada and included in the joint communications approach.

- 4.3 Where the GNWT or an Ultimate Recipient decides to install a permanent plaque or other suitable marker with respect to an Eligible Project, it must recognize the federal contribution to the Eligible Project(s) and be approved by Canada.
- 4.4 The GNWT or the Ultimate Recipient is responsible for the production and installation of Eligible Project signage, or as otherwise agreed upon.
- 4.5 The GNWT agrees to inform Canada of signage installations on a basis mutually agreed upon in the joint communications approach.

5 Media events and Announcements for Eligible Projects

- 5.1 Canada and the GNWT agree to have regular announcements of Eligible Projects that are benefiting from GTF funding that may be provided by Canada. Key milestones may be marked by public events, news releases and/or other mechanisms.
- 5.2 Media events include, but are not limited to, news conferences, public announcements, official events or ceremonies, and news releases.
- 5.3 Canada, the GNWT or an Ultimate Recipient may request a media event.
- 5.4 Media events related to Eligible Projects will not occur without the prior knowledge and agreement of Canada, the GNWT and the Ultimate Recipient.
- 5.5 The requester of a media event will provide at least 15 working days' notice to other parties of their intention to undertake such an event. The event will take place at a mutually agreed date and location. Canada, the GNWT and the Ultimate Recipient will have the opportunity to participate in such events through a designated representative. Canada, GNWT and the Ultimate Recipient will each choose their own designated representative.
- 5.6 The conduct of all joint media events and products will follow the *Table of Precedence for Canada* as outlined at www.pch.gc.ca/pgm/ceem-cced/prtcl/precedence-eng.cfm.
- 5.7 All joint communications material related to media events must be approved by Canada and recognize the funding of the parties.
- 5.8 All joint communications material must reflect Canada's policy on official languages and the federal identity program.

6 Program communications

- 6.1 Canada, the GNWT and Ultimate Recipients may include messaging in their own communications products and activities with regard to the GTF.
- 6.2 The party undertaking these activities will provide the opportunity for the other parties to participate, where appropriate, and will recognize the funding of all contributors.
- 6.3 Canada and the GNWT agree that they will not unreasonably restrict the other parties from using, for their own purposes, public communications products related to the GTF prepared by Canada, the GNWT or Ultimate Recipients, or, if web-based, from linking to it.
- 6.4 Notwithstanding Section 5 of Schedule E (Communications Protocol), Canada retains the right to meet its obligations to communicate information to Canadians about the GTF and the use of funding through communications products and activities.

7 Operational Communications

- 7.1 The GNWT or the Ultimate Recipient is solely responsible for operational communications with respect to Eligible Projects, including but not limited to, calls for tender, construction, and public safety notices. Operational communications as described above are not subject to the federal official language policy.
- 7.2 The GNWT or the Ultimate Recipient will share information promptly with Canada should significant emerging media or stakeholder issues relating to an Eligible Project arise. Canada and the GNWT will advise Ultimate Recipients, when appropriate, about media inquiries received concerning an Eligible Project.

8 Communicating Success Stories

The GNWT agrees to facilitate communications between Canada and Ultimate Recipients for the purposes of collaborating on communications activities and products including but not limited to Eligible Project success stories, Eligible Project vignettes, and Eligible Project start-to-finish features.

9 Advertising campaigns

Recognizing that advertising can be an effective means of communicating with the public, Canada, the GNWT or an Ultimate Recipient may, at their own cost, organize an advertising or public information campaign related to the GTF or Eligible Projects. However, such a campaign must respect the provisions of this Administrative Agreement. In the event of such a campaign, the sponsoring party or Ultimate Recipient agrees to inform the other parties of its intention, and to inform them no less than 21 working days prior to the campaign launch.

SCHEDULE F – Asset Management

By March 31, 2015, the GNWT will have developed a template for an Asset Management Plan appropriate for Local Governments in the Northwest Territories. This template will identify the minimum elements required by each Local Government although it is anticipated that many Local Governments will have plans/processes which will exceed this template.

The GNWT will establish a process and schedule with Local Governments for developing and/or implementing asset management, and will report to Canada on progress made on improving Local Government planning and asset management in accordance with Schedule D (reporting).

ANNEX C
The GNWT Allocationⁱ to Ultimate Recipients

Local Government	2014-15 Allocation (%)	2015-16 Allocation (%)	2016-17 Allocation (%)	2017-18 Allocation (%)	2018-19 Allocation (%)
Yellowknife	30.12	xx	xx	xx	xx
Fort Smith	4.69	xx	xx	xx	xx
Hay River	6.77	xx	xx	xx	xx
Inuvik	6.43	xx	xx	xx	xx
Norman Wells	2.29	xx	xx	xx	xx
Fort Simpson	2.84	xx	xx	xx	xx
Aklavik	1.96	xx	xx	xx	xx
Enterprise	1.13	xx	xx	xx	xx
Fort Liard	1.85	xx	xx	xx	xx
Fort McPherson	2.24	xx	xx	xx	xx
Fort Providence	2.11	xx	xx	xx	xx
Fort Resolution	1.73	xx	xx	xx	xx
Ulukhaktok	1.65	xx	xx	xx	xx
Paulatuk	1.42	xx	xx	xx	xx
Sachs Harbour	1.16	xx	xx	xx	xx
Tuktoyaktuk	2.33	xx	xx	xx	xx
Tulita	1.82	xx	xx	xx	xx
Behchoko	4.12	xx	xx	xx	xx
Gameti	1.41	xx	xx	xx	xx
Wekweeti	1.19	xx	xx	xx	xx
Whati	1.74	xx	xx	xx	xx
Deline	1.79	xx	xx	xx	xx
Fort Good Hope	1.81	xx	xx	xx	xx
Tsigehtchic	1.26	xx	xx	xx	xx
Colville Lake	1.22	xx	xx	xx	xx
Dettah	1.37	xx	xx	xx	xx
Hay River Reserve	1.45	xx	xx	xx	xx
Jean Marie River	1.09	xx	xx	xx	xx
Kakisa	1.05	xx	xx	xx	xx
Lutsel k'e	1.50	xx	xx	xx	xx
Nahanni Butte	1.16	xx	xx	xx	xx
Trout Lake	1.13	xx	xx	xx	xx
Wrigley	1.13	xx	xx	xx	xx

ⁱ Based on Annex B (Allocation Formula)